Related MLN Matters Article #: SE0555

Date Posted: October 3, 2005

Related CR #: NA

Medicare's Implementation of the National Provider Identifier (NPI): The Second in the Series of Special Edition MLN Matters Articles on NPI-Related Activities

Key Words

SE0555, Implementation, National, Provider, Identifier, NPI

Provider Types Affected

Providers and suppliers who conduct HIPAA standard transactions, such as claims and eligibility inquiries; organizations or associations that represent providers and plan to obtain NPIs for those providers

Key Points

Part 1: Information That Applies to All Providers

- All healthcare providers are eligible to receive NPIs.

- All HIPAA covered healthcare providers, whether they are **individuals** (such as physicians, nurses, dentists, chiropractors, physical therapists, or pharmacists) or **organizations** (such as hospitals, home health agencies, clinics, nursing homes, residential treatment centers, laboratories, ambulance companies, group practices, health maintenance organizations, suppliers of durable medical equipment, pharmacies, etc.) must obtain an NPI for use to identify themselves in HIPAA standard transactions.

- Once enumerated, a provider's NPI will not change.

- The NPI remains with the provider regardless of job or location changes.

- HIPAA covered entities such as providers completing electronic transactions, healthcare clearinghouses, and large health plans, must use **only** the NPI to identify covered healthcare providers in standard transactions by **May 23, 2007**.

- Small health plans must use **only** the NPI by **May 23, 2008**.

Obtaining and Sharing a Provider's NPI

- Providers and suppliers may now apply for their NPI on the National Plan and Provider Enumeration System (NPPES) at https://nppes.cms.hhs.gov on the Centers for Medicare & Medicaid Services (CMS) web site.

- The NPPES is the only source for NPI assignment.

- The application and request for an NPI does not replace the enrollment process for health plans (which authorizes providers to bill and be paid for services).

- Providers may apply for an NPI in one of three ways:

  - An easy web-based application process is available at http://nppes.cms.hhs.gov on the CMS web site.

  - A paper application may be submitted to an entity that assigns the NPI (the Enumerator). A copy of the application, including the Enumerator's mailing address, is available at https://nppes.cms.hhs.gov on the CMS web site. A copy of the paper application may also be obtained by calling the Enumerator at 1-800-465-3203 or TTY 1-800-692-2326.

  - With provider permission, an organization may submit a request for an NPI on behalf of a provider via an electronic file.

Knowing the NPI Schedule of Providers' Health Plans and Practice Management System Companies

- Providers should be aware of the NPI readiness schedule for each of the health plans with which they do business, as well as any practice management system companies or billing companies (if used).

- The provider's other health plans may provide guidance to them regarding the need to submit both legacy numbers and NPIs.

- Providers should submit their NPI(s) on standard transactions only when the health plan has indicated that they are ready to accept the NPI.

- Providers should also ensure that any vendors they use will be able to implement the NPI in time to meet the compliance date.

Sharing Provider's NPI

- Covered providers must share their NPI with

  - Any entity that would need it to identify the provider in a standard transaction;

  - Any provider with which they do business (e.g., pharmacies);

  - Health plans with which they conduct business; and

  - Organizations where they have staff privileges.

Electronic File Interchange (EFI) – Formerly Known as Bulk Enumeration

- EFI allows an organization to send NPI applications for many healthcare providers, with provider approval, to the NPPES within a single electronic file.

- If an organization/provider employs all or a majority of its physicians and is willing to be considered an EFI submitter, EFI enumeration may be a good solution for that group of providers.

The EFI Steps

- An organization that is interested in being an EFI organization will log on to an EFI home page (currently under construction) on the NPPES web site (https://nppes.cms.hhs.gov) and download a certification form.

- The organization will send the completed certification form to the Enumerator to be considered for approval as an EFI organization (EFIO).

- Once notified of approval as an EFIO, the entity will send files in a specified format, containing NPI application data, to the NPPES.

- Providers who wish to apply for their NPI(s) through EFI must give the EFIO permission to submit their data for purposes of applying for an NPI.

- Files containing NPI application data, sent to NPPES by the EFIO, will be processed. NPI(s) will be assigned and the newly assigned NPI(s) will be added to the files submitted by the EFIO.

- The EFIO will then download the files containing the NPI(s) and will notify the providers of their NPI(s). An EFIO may also be used for updates and deactivations, if the providers agree to do so.

National Plan and Provider Enrollment System (NPPES) Data Dissemination Policy

- CMS expects to publish a notice regarding its approach to NPI data dissemination in the coming months.

- The notice will propose the data dissemination strategy and processes.

- The approach will describe the data that CMS expects to be available from the NPPES.

Crosswalks

- Each health plan may create its own crosswalk, to cross check NPI and legacy identifiers.

- It is important that healthcare providers enter all of their current identification numbers onto their NPI application to facilitate the building of the crosswalks.

Subparts of a Covered Organization

- Covered-organization healthcare providers (e.g., hospitals, suppliers of durable medical equipment, pharmacies, etc.) may be made up of components or have separate physical locations that furnish health care, but are not themselves legal entities.

- The Final NPI rule calls these entities *"subparts"* to avoid confusion with the term healthcare "components."

- Subparts cannot be individuals such as physicians; e.g., group practices may have more than one NPI, but individual members of that group practice by definition are not and cannot be "subparts."

- Covered organization providers must designate as subparts (according to the guidance given in the NPI Final Rule) any component(s) of themselves or separate physical locations that are not legal entities and that conduct their own standard transactions.

- Covered organizations/providers must obtain NPI(s) for their subparts, or instruct the subparts to obtain their own NPIs.

- The subparts would use their NPIs to identify themselves in the standard transactions they conduct.

- The NPI Final Rule also gives covered organizations/providers the ability to designate subparts should there be other reasons for doing so.

  - Federal regulations or statutes may require healthcare providers to have unique billing numbers in order to be identified in claims sent to federal health programs, such as Medicare.

  - In some cases, healthcare providers who need billing numbers for federal health programs are actually components of covered healthcare providers.

  - In situations where such federal regulations or statutes are applicable, the covered organization providers would designate the components as subparts and ensure that they obtain NPI(s) in order to use them in standard transactions.

- The NPI will eventually replace the billing numbers in use today.

What Providers Can Do to Prepare for NPI Implementation

- Watch for information from the health plans with which they do business on the implementation/testing of NPIs in claims, and, eventually, in other standard transactions.

- Check with their billing services, vendors, and clearinghouses about NPI compliance and what they need to do to facilitate the process.

- Review laws in their state to determine any conflicts or supplements to the NPI.

- Check in their area for collaborative organizations working to address NPI implementation issues on a regional basis among the physicians, hospitals, laboratories, pharmacies, health plans, and other impacted parties.

Part 2: Information That Applies to Medicare Fee-For-Service (FFS) Providers Only

All Medicare providers are reminded that they will be required to use the NPI **in Medicare claims transactions**.

NPI Transition Plans for Medicare FFS Providers

- Medicare's implementation involving acceptance and processing of transactions with the NPI will occur in separate stages:

  - May 23, 2005 to January 2, 2006

    - Providers should submit Medicare claims using only their existing **Medicare** numbers.

    - They should not use their NPI numbers during this time period.

    - CMS claims processing systems will reject, as unprocessable, any claim that includes an NPI during this phase.

  - January 3, 2006 to October 1, 2006

    - Medicare systems will accept claims with an NPI, but an existing legacy Medicare number must also be on the claim.

- CMS claims processing systems will reject, as unprocessable, any claim that includes only an NPI.
- Medicare will be capable of sending the NPI as primary provider identifier and legacy identifier as a secondary identifier in outbound claims, claim status response, and eligibility benefit response electronic transactions.

- October 2, 2006 to May 22, 2007

  - CMS systems will accept an existing legacy Medicare billing number and/or an NPI on claims. If there is any issue with the provider's NPI and no Medicare legacy identifier is submitted, the provider may not be paid for the claim.
  - *Therefore, Medicare strongly recommends that providers, clearinghouses, and billing services continue to submit the Medicare legacy identifier as a secondary identifier.*
  - Medicare will be capable of sending the NPI as primary provider identifier **and** legacy identifier as a secondary identifier in outbound claim, claim status response, remittance advice (electronic but not paper), and eligibility response electronic transactions.

- May 23, 2007 Forward

  - CMS systems will only accept NPI numbers.
  - Small health plans have an additional year to be NPI compliant.

Crosswalk

- The Medicare health plan is preparing a crosswalk to link NPI and Medicare legacy identifiers exclusively for Medicare business, which should enable Medicare to continue claims processing activities without interruption.

- NPI(s) will be verified to make sure that they were actually issued to the providers for which reported. Medicare will use the check digit to ensure the NPI(s) are valid.

Important Links

http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0555.pdf

Providers may wish to visit http://www.cms.hhs.gov/NationalProvIdentStand/01_Overview.asp#TopOfPage regularly for the latest information about the NPI.

Providers may go to http://www.cms.hhs.gov/hipaa/hipaa2/support/tools/decisionsupport/CoveredEntityFlowcharts.pdf to access a tool to help establish whether one is a covered entity under the administrative simplifications of HIPAA.

A helpful tool that provides an overview of the NPI and the application process for obtaining an NPI is available at http://www.cms.hhs.gov/apps/npi/npiviewlet.asp

The Federal Register notice containing the NPI Final Rule is available at http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/NPIfinalrule.pdf on the CMS web site.

Providers may also find some industry implementation recommendations and white papers on the NPI at http://www.wedi.org, which is the site of the Workgroup for Electronic Data Interchange (WEDI).

If providers have any questions regarding this issue, they may contact their Medicare fiscal intermediary at their toll free number, which may be found at http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf on the CMS web site.